

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> Rehired/Retired Annuitant Eligibility to Participate in Savings Plus	<b>REFERENCE NUMBER:</b> 2009-021
<b>DATE ISSUED:</b> April 13, 2009	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Personnel Transaction Supervisors  
Personnel Transaction Staff  
Employee Benefit Officers  
Personnel Officers**

**FROM:** Department of Personnel Administration  
Savings Plus Program

**CONTACT:** Lupe Vela, Personnel Program Advisor  
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State and CSU employees who separate and return to service as "Rehired Annuitants" can now contribute to their existing Savings Plus Program (SPP) 401(k) and 457 Plan account or establish a new account. (The term "rehired" annuitant, used in the CSU system, is also known as "retired" annuitant among State employees.)

**To Qualify for this State Benefit**

Rehired Annuitants qualify for this benefit if they're:

- Paid via a State Payroll System;
- Separated for at least 60 days; and
- Not currently receiving periodic payment distributions from an SPP account.

**To Establish a SPP 401(k) or 457 Plan Contribution**

Rehired Annuitants must submit a Rehired Annuitant Enrollment Agreement to start contributions. This requirement also applies to employees that have an existing account. The form is available online at [www.sppforu.com](http://www.sppforu.com) under "forms & publications."

## Other Important Information

- Contributions post to the allocation on record. If no allocation on record exists, contributions post to the Asset Allocation Index Fund – Moderate. Other SPP investment options are available once the account is established.
- A monthly administrative fee of \$1.50 is assessed against each plan account.
- Rehired annuitants are **not** eligible for loans, hardship withdrawals, unforeseen emergencies, 457 Catch-up, or periodic distributions. However, they may request a Direct Payment (a 10% Federal tax penalty may apply to payments from a 401(k) plan account.)
- For more information, visit [www.sppforu.com](http://www.sppforu.com) or call a customer service representative at 1-866-566-4777, press \*0 (M – F, 8:30 a.m. – 4:00 p.m. PT).

Sincerely,

/s/ Michelle Berklacich

Michelle Berklacich  
Administrator  
Savings Plus Program